

Message Text

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ACTION OIC-02

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TAGS: GATT, AORG

SUBJECT: GATT COUNCIL MEETING FEB. 24 ON STAFF COMPLAINTS

REF: STATE 40116

SUMMARY: D.G. LONG SAID GOOD MANAGEMENT OF GATT SECRETARIAT NO LONGER POSSIBLE BECAUSE OF SHARP EROSION OF REMUNERATION OF PROFESSIONAL STAFF RESULTING FROM CHANGES IN EXCHANGE RATES. SEVERAL COUNCIL MEMBERS SAID SOLUTIONS MUST BE CONSISTENT WITH COMMON SYSTEM, BUT ALL AGREED SITUATION REQUIRED URGENT ATTENTION. LONG SOON TO PRESENT WRITTEN PROPOSALS FOR TECHNICAL ADJUSTMENTS. END SUMMARY.

1. DURING FEB. 24 SPECIAL SESSION GATT COUNCIL ON STAFF COMPLAINTS ON REMUNERATION, D.G. LONG SAID EXCHANGE-RATE DISTORTIONS IN REMUNERATION MAKE GOOD MANAGEMENT OF SECRETARIAT NO LONGER POSSIBLE. SAID GATT HAD ALWAYS BEEN SMALL, HIGH QUALITY GROUP, ACTION NEEDED NOW TO RESTORE QUALITY. LONG SAID, FOR EXAMPLE, HE RECEIVING LETTERS FROM P-LEVEL STAFF ASKING TO BE DEMOTED IN ORDER AVOID LARGE PENSION LOSSES. (PROFESSIONAL SALARY LEVELS ARE PEGGED TO DOLLAR WHILE SUB-PROFESSIONAL ARE IN SWISS FRANCS. DECLINE OF DOLLAR HAS THUS CAUSED LOWER

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PENSIONABLE REMUNERATION FOR SOME PROFESSIONAL EM-

PLOYEES THAN FOR HIGHER SUB-PROFESSIONAL LEVELS.)
SAID TECHNICAL CORRECTIONS WITHIN COMMON SYSTEM SHOULD
BE POSSIBLE. DOCUMENT C/W/256 DISTRIBUTED AT MEETING
SHOWS MONTHLY LOSSES DUE TO CUMULATIVE EXCHANGE
RATE CHANGES SUFFERED BY P-LEVEL STAFF AND ABOVE.
SHOWS MIDDLE STEP OF P-4 LOSING 435 FRANCS (WITH
DEPENDENTS) AND 1,282 FRANCS (WITHOUT DEPENDENTS)
EACH MONTH. THIS EQUIVALENT TO 175 AND 500 DOLLARS
PER MONTH. COPIES OF DOCUMENT POUCHED 2/27 TO IO/OIC
(BASS) AND EB/GCP (WILLIAMS).

2. ALL DELS AGREED ON NEED FOR URGENT ACTION, BUT
MANY SAID THIS SHOULD ONLY BE DONE WITHIN COMMON
SYSTEM AND URGED ACTION VIA ICSC IN NEW YORK. SOME
DELS CALLED FOR SPECIAL GATT SOLUTION. US SAID IT
CLEAR THERE IS GENEVA-WIDE PROBLEM, WE TIED TO COMMON
SYSTEM SOLUTION, WE WERE ENCOURAGED TO HEAR D.G. LONG
FEELS ADJUSTMENT CONSISTENT WITH SYSTEM IS POSSIBLE,
AND WE WOULD SUPPORT PROMPT ICSC CONSIDERATION OF ANY
SUCH PROPOSALS.

3. BUDGET COMMITTEE CHAIRMAN CLARK READ COMMITTEE'S
RECOMMENDATIONS AND ADDED CANADA DEL UNDERSTOOD THAT
UN SECRETARIAT WILL PROPOSE TO ACC (IAEA, GATT, ITU,
WMO) THAT LOCAL CURRENCY TAKE-HOME PAY BE SET FOR
ONE-YEAR PERIODS. LONG SAID, HOWEVER, THERE NO
REAL MOVEMENT ON ISSUE GOING ON IN UN SECRETARIAT,
ICSC, OR ANYWHERE ELSE IN UN. SAID HE WOULD OF
COURSE CONTINUE USUAL EFFORTS IN ALL UN FORA "AS HE
HAD DONE FOR LAST FOUR YEARS WITHOUT RESULT". LONG
SAID ICSC WAS BRAND NEW, WOULD NOT BE GETTING DOWN
TO SUBSTANTIVE WORK FOR MANY MONTHS.

4. BUDGET COMMITTEE CHAIRMAN CLARK SAID ANY TECHNI-
CAL ADJUSTMENT PROPOSALS SHOULD FIRST BE EXAMINED
BY COMPETENT AUTHORITIES FOR INTERPRETING COMMON
SYSTEM BEFORE GATT COUNCIL EXAMINES THEM (I.E., ICSC
AND NOT GATT BUDGET COMMITTEE SHOULD DO THE INTER-
PRETING). HOWEVER, COUNCIL CHAIRMAN SAHLGREN'S
SUMMARY SAID COUNCIL AGREED SITUATION SERIOUS, SOME
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DELS EMPHASIZED NEED FOR CONFORMITY WITH COMMON
SYSTEM, COUNCIL WOULD WANT D.G. TO PUT FORTH WRITTEN
PROPOSALS SHORTLY--POSSIBLY TO BE EXAMINED WITH HELP
OF BUDGET COMMITTEE.

5. COMMENT: WHEN WRITTEN PROPOSAL IS RECEIVED, WE
WILL FORWARD TO WASHINGTON AND ENDEAVOR ASCERTAIN
INFO REQUESTED PARA 3 REFTEL. DALE

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